



United Nations Conference on Trade and Development

Distr.: General
27 July 2016

Original: English

UNITED NATIONS
DEPOSITORY

SEP 16 2016

UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN

Fourteenth session

Nairobi

17–22 July 2016

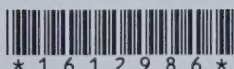
High-level event: Bolstering public policies for vibrant and inclusive markets

Summary prepared by the UNCTAD secretariat

1. In his opening remarks, the Deputy Secretary-General of UNCTAD stated that the session would address the roles of the State and market. He noted the low level of trust in market outcomes in both developing and developed countries. Transparent and accountable political systems, and “right” regulations, were crucial to delivering the Sustainable Development Goals. In addition, competition played a significant role in achieving lower prices, better quality, new products and greater choice, and the empowering of consumers and boosting of consumer protection legislation were needed. The Deputy Secretary-General highlighted the importance of infrastructure services in achieving the Goals; public policies needed to guide investors towards sectors related to the Goals, in order for citizens to become the winners of market outcomes. He referred to the need for increased transparency and accountability of the private sector. A recent UNCTAD study on trade misinvoicing in primary commodities in developing countries revealed that benefits from commodities did not reach producing countries. The Deputy Secretary-General called upon all actors to assume responsibility for their footprints, and concluded by stating that Governments and markets needed each other to deliver sustainable development.

2. The first panellist stressed the importance of efficient use of resources for the benefit of people. Inclusiveness, especially financial inclusion, was crucial. For example, Egypt provided access to financial services through the use of technology and mobile telephony. There was a need to empower consumers and increase competition to bring about better quality and better prices. In Egypt, consumers were given more choice through access to a pool of goods from among which they could choose based on their needs. Producers, suppliers, wholesalers and retailers were linked through information technology. The panellist emphasized that people should participate in financial and economic decision-making processes.

GE.16-12986(E)



* 1 6 1 2 9 8 6 *

Please recycle



3. Another panellist noted the importance of development strategies, inclusive policies to end poverty and investment in infrastructure, to move economic development forward. There was a need to focus on manufacturing and identify sectors for investment. In India, for example, policy measures such as trade facilitation, simplified procedures for services, skills development and financial inclusion, backed by the necessary legislation, had resulted in improved business environments, including the following: inflation in check; increased share of industry and services sectors in the gross domestic product; and increased flow of foreign direct investment flows, which had reached \$40 billion in 2015. India had climbed up the World Economic Forum competitiveness index, from 75 to 51, in four years and, in 2015, 75 million bank accounts had been created in the country. Another focus sector in India was agriculture, including the setting up of a national agricultural market to integrate 592 scattered agricultural markets across the country.

4. A third panellist elaborated on how Governments and the private sector could work together towards sustainable development. It was essential to simplify procedures and reduce the time needed for businesses and citizens to interact with public administrations. Fostering entrepreneurship required a network of stakeholders and good business conditions. Innovation was crucial and could be promoted by connecting universities with businesses. Small and medium-sized enterprises faced challenges in accessing markets, including high manufacturing costs. Portugal, for example, had put in place measures to allow small and medium-sized enterprises to grow and to improve efficiency in energy consumption by industries. Consumer protection was a crucial policy, and the panellist highlighted the importance of the *United Nations Guidelines for Consumer Protection*.

5. Another panellist noted the differences between the Washington Consensus and Geneva Consensus, whereby the former promoted trade opening and left the rest to markets, while the latter advocated the idea that free trade could only work if specific conditions were met and focused on these conditions, such as a fair international trade regime and domestic policies. Referring to competition policy, the panellist stated that the lack of an appropriate international benchmark was a lacuna. He highlighted the work of UNCTAD in the area of competition policy, a necessity for developing countries. He emphasized the importance of multi-stakeholder engagement, including Governments, businesses and civil society, and noted that South Africa had a similar mechanism in place. Regional integration was the way forward, especially for African countries, to extend markets beyond national frontiers and to benefit from economies of scale. For example, Aid for Trade had invested in regional integration. At the government level, an inter-agency consultation process driven by the presidency or prime minister's office might ensure inclusive and coherent policymaking.

6. Yet another panellist provided examples of the private sector's role in delivering sustainable development. He stressed the importance of collaboration and dialogue between the public and private sectors and the need for government policy coherence in order to foster investment in local value chains and contribute to sustainable local socioeconomic development. Access to inputs and the financial inclusion of farmers were essential policy measures for inclusive development. Shared values between producers and local communities were important in closing value chain gaps. For example, the company Diageo promoted sourcing of inputs from local communities, including in Ethiopia, where it had direct contracts with small farmers, to provide training and assist them with access to inputs. In Kenya, Diageo sourced sorghum locally, thereby helping address illicit sales of alcohol. In 2013, Kenya had put in place a tax incentive scheme that encouraged local sourcing. Consequently, 30,000 jobs had been created and investment increased.

7. The final panellist emphasized the need to empower and protect consumers in order to make markets vibrant and inclusive. She referred to the adoption by the General Assembly in December 2015 of the revised *United Nations Guidelines for Consumer*

Protection, which set out principles to ensure that markets were inclusive and worked for consumers; the task ahead was to implement them. In addition, with the cooperation of the international community, an Intergovernmental Group of Experts on Consumer Protection Law and Policy had been established, which would provide a platform for consumer agencies and civil society organizations to cooperate and exchange experiences. Finally, the panellist requested the United Nations to recognize 15 March as an international day for consumer rights.

8. During the ensuing discussion, one discussant stressed the importance of coherent and inclusive public policies to help countries graduate from the least developed country category. He highlighted the need to reconsider the effectiveness of foreign aid, noting the need for a workable correlation between international trade rules and the domestic development needs of the least developed countries.

9. Another discussant provided policy examples from the Russian Federation aimed at making markets vibrant and inclusive, such as export support, special economic zones and tax deduction, which could promote the competitiveness of small and medium-sized enterprises and their integration into global value chains.

10. One panellist noted the policy space provided to the least developed countries in the international trading system, to put in place trade regimes that promoted local production. Aid for Trade, in which UNCTAD was a crucial actor, helped the least developed countries increase their capacity to trade. Another panellist questioned whether global value chains led to increased value addition in producing countries, while yet another panellist noted the need for more integration in supply chain management and the technology behind it. In his closing remarks, the Director of the Division on International Trade and Commodities emphasized the importance of bringing consumers to the centre of the agenda and building trust in markets by including consumers.



3 0112 115677475